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RICHARD A. MARSHACK

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

In re
NORTHERN HOLDING, LLC,
Debtor.

Case No. 8:20-bk-13014-SC

Chapter 7

TRUSTEE'S STATUS REPORT
REGARDING ONGOING CIVIL
CONTEMPT PROCEEDINGS

[CONTEMPT ORDER DOCKET NO. 424]

Continued Hearing

Date: November 16, 2023

Time: 11:00 a.m.

Ctrm: 5C – via ZoomGov

Location: United States Bankruptcy Court
411 West Fourth Street
Santa Ana, CA 92701-4593

TO THE HONORABLE SCOTT C. CLARKSON, UNITED STATES BANKRUPTCY JUDGE,
THE OFFICE OF THE UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES:

Richard A. Marshack, the chapter 7 trustee ("Trustee") of the bankruptcy estate ("Estate") of Northern Holding, LLC ("Debtor"), submits this further status report regarding the ongoing civil contempt proceedings against LeRoy E. Coddington, IV ("Coddington"), in advance of the hearing on November 16, 2023.

1. Brief Factual Restatement

On October 28, 2020, Debtor filed a voluntary petition for bankruptcy under Chapter 11 of Title 11 of the United States Code, initiating the above-captioned bankruptcy case. Coddington was the managing member of Debtor.

1 On May 11, 2023, the Court conducted a hearing on an order to show cause re: civil
2 contempt, and testimony of witnesses was presented both in person and over ZoomGov. At the
3 conclusion of the hearing, Trustee and Coddington entered into stipulated terms to resolve the OSC,
4 which were read into the record. The Court set a continued hearing date for June 15, 2023, at 11:00
5 a.m.

6 On May 12, 2023, as Dk. No. 394, Trustee filed a stipulation signed by Coddington which
7 memorialized and supplemented the terms read into the record ("Contempt Stipulation"). The
8 Contempt Stipulation provided that Coddington would pay up to \$140,000 to the Estate by June 14,
9 2023, or otherwise would agree to be adjudicated in contempt.

10 On May 16, 2023, as Dk. No. 397, secured creditor AgWest Farm Credit, FLCA ("FCW")
11 filed an objection to the Contempt Stipulation, regarding the treatment of the contempt sanctions.
12 This objection was later resolved by stipulation.

13 No funds were received by June 14, 2023.

14 On July 28, 2023, as Dk. No. 416, the parties filed a subsequent stipulation providing an
15 increased payment of \$160,000 to be made by September 12, 2023, by Coddington, which stipulation
16 was approved by an order of the Court entered as Docket No. 417.

17 No funds were received by September 12, 2023.

18 On September 13, 2023, as Dk. No. 421, a further status report was filed where Coddington
19 offered to pay an increased amount of \$170,000. However, no funds were received by the date of
20 the continued hearing on September 27, 2023. At the hearing, the Court found that Coddington should
21 be adjudicated in civil contempt, and set a continued hearing for October 18, 2023. "

22 On October 5, 2023, as Dk. No. 424, the Court entered an order adjudicating Coddington in
23 civil contempt ("Contempt Order"). The Contempt Order provided that the agreed amount of
24 \$170,000 must be paid by Coddington no later than October 7, 2023, at 11:50 p.m. Pacific Prevailing
25 Time.

26 No funds were received by October 7, 2023. At the hearing on October 18, 2023, the Court
27 set a further continued hearing for November 8, 2023, based in part on Coddington's representation
28 that he would obtain funds by October 31, 2023.

1 No funds were received by October 31, 2023.

2 On November 6, 2023, as Dk. No. 430, Trustee filed a status report regarding Coddling's
3 updated statement that he would obtain a cashier's check for \$170,000 by Friday, November 10,
4 which was two days after the scheduled hearing. Based on Coddling's representation, the parties
5 jointly requested that the hearing be continued for approximately one week. Based on the status
6 report, the Court vacated the hearing on November 8, 2023, and set a further hearing on November
7 16, 2023, at 11:00 a.m.

8 No cashier's check was received by Trustee by November 10, 2023. No funds have been
9 received to date.

10 **2. Status Report**

11 From Trustee's perspective, every time the Court has set a hearing, or there is some deadline
12 to do something, Coddling promises that he will pay shortly after the deadline. This pattern of
13 behavior has continued for over six months since the evidentiary hearing. Coddling continues to
14 waste Trustee's time by providing empty promises of payment that soon evaporate. For example,
15 Coddling's latest communication is that he has scheduled a wire transfer to Trustee to be completed
16 on November 15, 2023 (i.e. one day after the deadline to file this status report), in the further
17 increased amount of \$175,000. Coddling now represents to Trustee that he will be obtaining a loan in
18 the amount of \$300,000 and will remit \$175,000 to Trustee. A true and correct copy of email
19 communications between Trustee and Coddling is attached as Exhibit "1" and incorporated by
20 reference. In Coddling's communications, it is unclear whether the scheduled wire transfer will be
21 completed. Coddling vaguely references a hold on funds, but what appears clear is that he has the
22 ability to pay the sanctions amount, and has not yet done so. Trustee will appear at the scheduled
23 hearing to update the Court regarding whether the funds have been paid by wire as promised.

24 DATED: November 16, 2023

MARSHACK HAYS WOOD LLP

25 By: /s/ Tinho Mang

26 D. EDWARD HAYS

TINHO MANG

27 Attorneys for Chapter 7 Trustee

28 RICHARD A. MARSHACK

EXHIBIT 1

From: [Lee Coddling](#)
To: [Tinho Mang](#)
Cc: [Richard Marshack](#); [Pam Kraus](#)
Subject: Re: Update as Promised Fwd: Loan Terms - Coddling
Date: Tuesday, November 14, 2023 5:29:57 PM

Hi Tinho,

Funds release depends on BofA. They had indicated 11/13 and that pushed as of yesterday. Good news is it's earlier than loan proceeds regardless.

\$175k includes a premium of \$5000 in consideration for the delay. I added at my discretion. Hope that's OK.

Thank you,
Lee

Lee Coddling
Paso Robles, Calif.
lecoddlingiv@icloud.com

On Nov 14, 2023, at 4:21 PM, Tinho Mang <tmang@marshackhays.com> wrote:

Lee,

Are funds coming tomorrow or not? Also, the screencaps from yesterday showed \$175,000. What are your intentions there?

Tinho

From: Lee Coddling <lecoddlingiv@icloud.com>
Sent: Tuesday, November 14, 2023 4:02 PM
To: Richard Marshack <RMarshack@MarshackHays.com>; Tinho Mang <tmang@marshackhays.com>; Pam Kraus <pkraus@marshackhays.com>
Subject: Update as Promised Fwd: Loan Terms - Coddling

Richard, Tinho, Pam,

Good afternoon.

This email is to demonstrate that the loan is happening, below.

NB:

Nevertheless, I arranged the *third-party advance* to me against loan proceeds to get the Trustee and NHC Estate paid sooner as noted in last weeks and yesterdays email thread. These are funds transmitted from my account.

You're in receipt of the deposit and remittance advice to your office from yesterday 11/13 email. This will transmit as soon as the funds are released by B of A.

Re: Loan

Escrow No.: FWAC-5972300733-JW

Title No.: FWPS-TO23000848

Property: 348 Costello Drive, Los Altos, CA 94024

(ITEM 1:

Attorney letter that clearly relieves lender of any potential problem in the future meaning they clearly state that Charles knows about the loan, why it benefits him and that he is of clear mind.)

Thank you,
Lee

Lee Coddling
Paso Robles, Calif.
lecoddlingiv@icloud.com

Begin forwarded message:

From: Lewis Jepson <Lewis@jigsawinvestmentpartners.com>
Date: November 14, 2023 at 11:00:51 AM PST
To: Lee Coddling <lecoddlingiv@icloud.com>
Cc: Jeremy Salamera <jeremy@jigsawinvestmentpartners.com>
Subject: Re: Loan Terms and Target Close Date

Terms are still the same (below)

Borrower(s): Charles H. Munch and Barbara W. Munch Revocable Living Trust
Charles H. Munch
Carol H. Coddling
Leroy E. Coddling
Property/Collateral: 348 Costello Drive, Loa Altos
Loan Amount (Estimate):
\$370,000
First Mortgage
Term: 12 Month
Rate: 10.50% Interest Only
Loan Fee: 5.50Points (5.50%)

Other Fees: Regular Title and Escrow
OtherFees: \$2,400 - Processing, Underwriting, loan documents and other
lender fees
Pre Payment Penalty: None

Sign Up for Email Updates

Regards,
Lewis Jepson
President & Broker
D: 925-200-7345 [Schedule a quick call](#)
www.jigsawinvestmentpartners.com
"Private Money Lender"

<image001.jpg>

APPLY NOW!

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
870 Roosevelt, Irvine, CA 92620

A true and correct copy of the foregoing document entitled: **TRUSTEE'S STATUS REPORT REGARDING ONGOING CIVIL CONTEMPT PROCEEDINGS** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **November 14, 2023**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On **November 14, 2023**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

DEBTOR

NORTHERN HOLDING, LLC
ATTN: OFFICER, A MANAGING OR GENERAL AGENT,
OR TO ANY OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO RECEIVE SERVICE
13217 JAMBOREE RD #429
TUSTIN, CA 92782

INTERESTED PARTY

LEE CODDING
13217 JAMBOREE ROAD, #429
TUSTIN, CA 92782

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL: Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **November 14, 2023**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA PERSONAL DELIVERY:

PRESIDING JUDGE'S COPY

HONORABLE SCOTT C. CLARKSON
UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
RONALD REAGAN FEDERAL BUILDING AND COURTHOUSE
411 WEST FOURTH STREET, SUITE 5130 / COURTROOM 5C
SANTA ANA, CA 92701-4593

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

November 14, 2023
Date

Layla Buchanan
Printed Name

/s/ Layla Buchanan
Signature

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** CONTINUED:
 - **INTERESTED PARTY COURTESY NEF:** William H Brownstein Brownsteinlaw.bill@gmail.com
 - **INTERESTED PARTY COURTESY NEF:** Steve Burnell Steve.Burnell@gmlaw.com, sburnell@ecf.courtdrive.com; sburnell@ecf.inforuptcy.com; cheryl.caldwell@gmlaw.com; denise.walker@gmlaw.com
 - **INTERESTED PARTY COURTESY NEF:** Kevin W Coleman kcoleman@nutihart.com, admin@nutihart.com
 - **INTERESTED PARTY COURTESY NEF:** Robert P Goe kmurphy@goeforlaw.com, rgoe@goeforlaw.com; goeforecf@gmail.com
 - **ATTORNEY FOR US TRUSTEE:** Nancy S Goldenberg nancy.goldenberg@usdoj.gov
 - **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Michael J Gomez mgomez@frandzel.com, dmoore@frandzel.com
 - **ATTORNEY FOR CHAPTER 7 TRUSTEE RICHARD A MARSHACK:** D Edward Hays ehays@marshackhays.com, ehays@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com; cmendoza@marshackhays.com; cmendoza@ecf.courtdrive.com
 - **ATTORNEY FOR RESPONDENT ERICH RUSSELL and RESPONDENT JOANNE RUSSELL:** Kari L Ley Ley1238@att.net
 - **ATTORNEY FOR CHAPTER 7 TRUSTEE RICHARD A MARSHACK:** Tinho Mang tmang@marshackhays.com, tmang@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com; cmendoza@ecf.courtdrive.com
 - **CHAPTER 7 TRUSTEE RICHARD A MARSHACK:** Richard A Marshack (TR) pkraus@marshackhays.com, rmarshack@iq7technology.com; ecf.alert+Marshack@titledxi.com
 - **ATTORNEY FOR INTERESTED PARTY BANK DIRECT CAPITAL FINANCE:** Elissa Miller elissa.miller@gmlaw.com, emillersk@ecf.courtdrive.com; cheryl.caldwell@gmlaw.com
 - **ATTORNEY FOR CREDITOR AZCONA HARVESTING:** Paul William Moncrief Paul@Moncriefhart.com
 - **ATTORNEY FOR DEBTOR NORTHERN HOLDING, LLC:** Roksana D. Moradi-Brovia Roksana@rhmfir.com, matt@rhmfir.com; rosario@rhmfir.com; sloan@rhmfir.com; priscilla@rhmfir.com; rebecca@rhmfir.com; david@rhmfir.com; susie@rhmfir.com; max@rhmfir.com; russ@rhmfir.com
 - **ATTORNEY FOR CREDITOR ADLER BELMONT GROUP, INC:** Paul F Ready becky@farmerandready.com
 - **ATTORNEY FOR DEBTOR NORTHERN HOLDING, LLC:** Matthew D. Resnik Matt@rhmfir.com, roksana@rhmfir.com; rosario@rhmfir.com; sloan@rhmfir.com; priscilla@rhmfir.com; rebecca@rhmfir.com; david@rhmfir.com; susie@rhmfir.com; max@rhmfir.com; russ@rhmfir.com
 - **ATTORNEY FOR INTERESTED PARTY RIBOLI PASO ROBLES, LLC:** Victor A Sahn victor.sahn@gmlaw.com, vsahn@ecf.courtdrive.com; pdillamar@ecf.courtdrive.com; patricia.dillamar@gmlaw.com, Karen.Files@gmlaw.com
 - **ATTORNEY FOR CHAPTER 7 TRUSTEE RICHARD A MARSHACK:** D Kristine A Thagard kthagard@marshackhays.com, kthagard@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com
 - **US TRUSTEE (SA):** United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov
 - **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Reed S Waddell rwaddell@frandzel.com, sking@frandzel.com
 - **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Gerrick Warrington gwarrington@frandzel.com, achase@frandzel.com
 - **ATTORNEY FOR CHAPTER 7 TRUSTEE RICHARD A MARSHACK:** David Wood dwood@marshackhays.com, dwood@ecf.courtdrive.com; lbuchananmh@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com

4885-9297-2163, v. 1